

Entered: May 12th, 2023

Signed: May 12th, 2023

SO ORDERED



Michelle M. Harner
MICHELLE M. HARNER
U.S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MARYLAND
(Baltimore Division)**

In re:

*

KALI COURT, LLC,

*

Case No. 23-13178 MMH

Debtor.

*

(Chapter 11, Subchapter V)

* * * * *

**ORDER AUTHORIZING INTERIM USE OF CASH COLLATERAL,
INCLUDING THE PAYMENT OF WAGES**

Upon consideration of the Debtor's Emergency Motion for Interim Use of Cash Collateral, including the Payment of Wages, it is by the United States Bankruptcy Court for the District of Maryland:

ORDERED that:

1. The Debtor's Motion is hereby granted;
2. To avoid immediate and irreparable harm to this bankruptcy estate pending a final hearing, the Debtor is authorized to use cash collateral to pay reasonable and ordinary operating expenses in conformity with and not to exceed the amounts set forth on the budget attached to the Debtor's Notice of Exhibit 3 – Three Month Budget in Support of the Debtor's Emergency Motion

for Interim Use of Cash Collateral, Including the Payment of Wages filed in this bankruptcy proceeding at Docket 16 (the “Budget”);

3. Debtor’s Motion not to exceed a twenty percent (20%) of the projections as set forth in the Debtor’s Budget until July 31, 2023;

4. The Debtor is authorized to use cash collateral to pay the payroll in the ordinary course of business, provided that no employee shall be paid pre-petition wages in excess of the priority cap set forth in §507(a)(4) of the Bankruptcy Code, if there is such pre-petition wages;

5. As adequate protection for any cash collateral used, Sysco Baltimore, LLC and the U.S. Small Business Administration are granted a security interest of the same priority and to the same extent as its pre-petition security interests in the Collateral, and all profits, offspring and proceeds of the Collateral hereafter acquired, to the extent of the Debtor’s use of such cash collateral;

6. The security interest granted hereby shall become and are duly perfected without the necessity for filing or execution of documents which might otherwise be required pursuant to applicable non-bankruptcy law for the creation or perfection of such security interest, shall survive the conversion of this case to a case under Chapter 7 of the Bankruptcy Code, and shall be binding upon any subsequently appointed trustee and upon all creditors of the Debtor and its bankruptcy estate;

7. Nothing contained herein shall be construed as a finding by this Court that Sysco Baltimore, LLC and the U.S. Small Business Administration holds a lien or security interest in the Collateral, or that any such lien or security interest is properly perfected, those issues all being expressly reserved for later determination by this Court;

8. Nothing in this Interim Order shall be construed as a waiver of any of Sysco Baltimore, LLC and the U.S. Small Business Administration's rights under any of its loan documents or applicable law, or it and all rights and defenses of Sysco Baltimore, LLC and the U.S. Small Business Administration with respect to any relief requested in any subsequent and/or final motion for use of cash collateral;

9. In order to promote the administration of this bankruptcy estate a super priority lien shall be created superior to Sysco Baltimore, LLC and the U.S. Small Business Administration secured lien to pay the administrative claim of the Debtor's professionals, the Chapter 11 Trustee and U.S. Trustee's fees;

10. Nothing contained herein shall preclude any party-in-interest from seeking modification of this Order upon appropriate motion to this Court;

11. A final hearing on the Debtor's use of cash collateral will be scheduled by this Court; and

12. The Debtor shall email or mail a copy of this Order within two (2) business days from the date of this Order to all parties in interest pursuant to the attached email and mailing matrix and certify to this Court that such mailing has been made.

END OF ORDER

Sysco Baltimore, LLC
Atten: Jill Marshall, Credit Manager
P.O. Box 1009
8000 Dorsey Run Road
Jessup MD 20794-0000
Email: jill.marshall@sysco.com

U.S. Small Business Administration
2 North 20th Street, Suite 320
Birmingham, AL 35203
Email: Bham.legal@sba.gov

And by first class mail, postage pre-paid, to the Debtor's 20 largest Creditors.